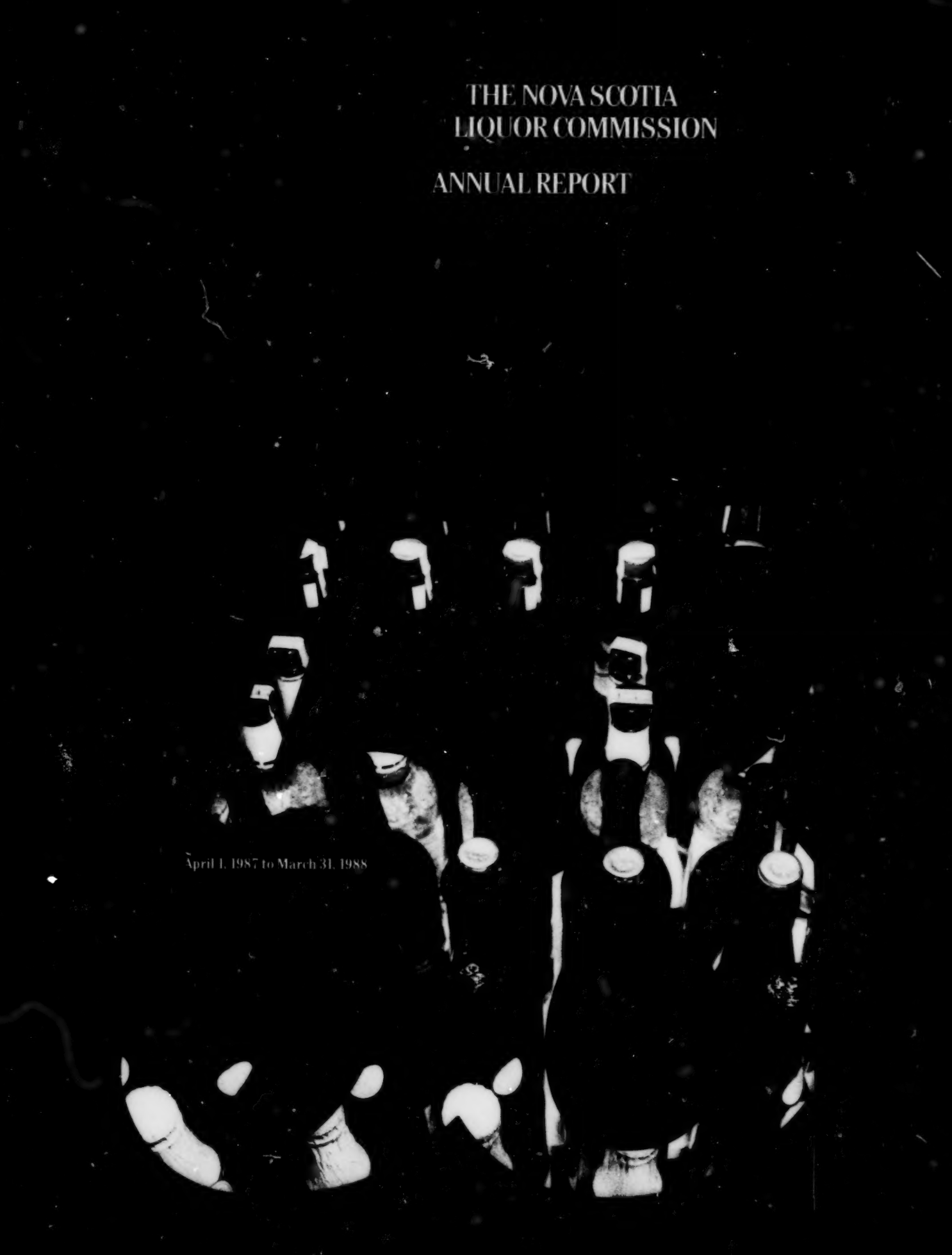
THE NOVA SCOTIA LIQUOR COMMISSION

ANNUAL REPORT



April 1, 1987 to March 31, 1988

The Fifty Eighth Annual Report of the Nova Scotia Liquor Commission

58

April 1, 1987 to March 31, 1988

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91-03784/

February, 1989

To His Honour
The Honourable
Lloyd R. Crouse, P.C.
Lieutenant Governor
of Nova Scotia

May it Please Your Honour:

I have the honour to submit herewith a Report of the Nova Scotia Liquor Commission for the fiscal year ended March 31, 1988.

Ronald S. Russell
Minister in Charge of
Administration of
The Nova Scotia Liquor Control Act

August 26, 1988

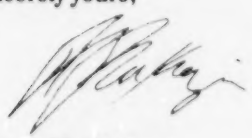
Honourable R.S. Russell
Minister in Charge of
Administration of
the Liquor Control Act
4th Floor, Joseph Howe
Building
1690 Hollis Street
Halifax, Nova Scotia

Dear Sir:

I have the honour to submit herewith the Annual Report of the Nova Scotia Liquor Commission for the period from April 1, 1987 to March 31, 1988.

I appreciate the opportunity of having served as Chief Commissioner in the last fiscal year and I look forward to the continuing challenge in the year ahead.

Sincerely yours,



Peter J. MacKeigan

November 9, 1988

Mr. Peter J. MacKeigan
Chief Commissioner
Nova Scotia Liquor Commission
P.O. Box 8720, Station A
Halifax, Nova Scotia
B3K 5M4

Dear Sir:

I take pleasure in providing the 58th Annual Report of the Nova Scotia Liquor Commission covering the fiscal year ending March 31, 1988.

During the year, sales through Commission stores amounted to $311,263.0 an increase of 4.3%. Profits increased by .7% while volume decreased by 0.7%. Sales to licensed establishments increased 1.3% and now represent $55,002.9 or 17.8% of all business.

The Liquor Commission shares in the cost of maintaining the R.C.M.P. in the province in accordance with provincial legislation. This cost which is taken from the Commission's income (profit) is increased 7% from the previous year.

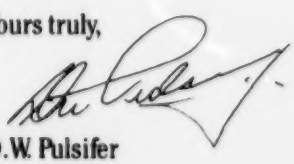
As an added convenience to customers, new stores were opened in Truro, Bridgewater and Canso. To fulfill an earlier commitment to consumers, this past year, the Commission has provided chilled beer facilities in various stores throughout the province. To date 16 outlets offer chilled beer and additional stores with these facilities are proposed for the coming year.

During the year 11 Commission employees retired while 344 qualified for long service awards. The valuable contribution made by all Commission employees through the year is gratefully acknowledged.

The Commission also wishes to acknowledge the valuable assistance of all government departments, agencies, boards and enforcement bodies which have cooperated fully with the Commission.

It has been my pleasure to serve as General Manager & Chief Executive Officer for the past year. On behalf of our staff, I wish to thank you and the Commissioners for their support and guidance.

Yours truly,



D.W. Pulsifer

The Nova Scotia Liquor Commission Executive

Honourable
Ronald S. Russell
Minister in Charge of Administration of the Liquor Control Act

Peter J. MacKeigan
Chief Commissioner

C.W. Moore
Commissioner

A.A. MacIsaac
Commissioner

D.W. Pulsifer
General Manager & Chief Executive Officer

K.L. Pyne
Admin. Secretary
General Manager & C.E.O.

A.W. Strickland
Director — Personnel

C.B. Collins
Director — Stock Administration

L.A. Weagle
Director — Finance

B.E. Rogers
Director — Property & Development

G.H. Proctor
Director — Store Administration

C.L. Craig
Director — Advisory Services

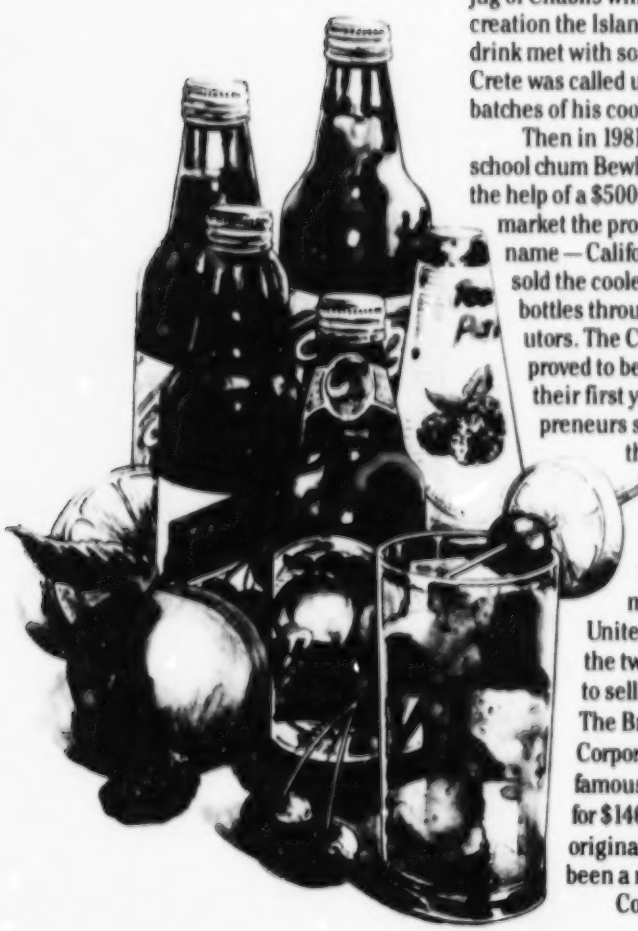
Karen Campbell-Stevens
Admin. Secretary
Commission

Of Coolers, Cobblers And Crete

Dionysus, the mythical God of Wine, noted that wine could be seen, touched, smelled and tasted. . .but not heard. To remedy that, he decreed that people should touch one cup to another before drinking. In that way, the sound of the glasses would then fulfill all the senses. Today, Dionysus' cup would be running over with the sound of people popping the tops off coolers everywhere.

The cooler's entrance into the marketplace has been quite a success story, one the industry hasn't seen to date. Even the cooler's rather humble beginnings are the stuff of dreams.

Michael Crete and Stewart Bewley are known as the founding fathers of the cooler, as we know it today. In the 70s, Crete mixed his first version of the cooler at a Santa Cruz beach party. He added pineapple, grapefruit, lemon and lime juices to a jug of Chablis wine and called his creation the Island Wine Cooler. The drink met with some success, and Crete was called upon to mix small batches of his cooler for parties.



Then in 1981, Crete and his old school chum Bewley got together. With the help of a $5000 loan, they began to market the product under a new name — California Cooler. They sold the cooler in recycled beer bottles through beer distributors. The California Cooler proved to be a hot item. In their first year, the two entrepreneurs sold 700 cases from the back of their '53 pick-up truck. By 1984, sales of the California Cooler had grown to 10 million cases in the United States. That's when the two partners decided to sell their business. The Brown-Forman Corporation (makers of a famous whiskey) bought it for $146 million. The original $5000 loan had been a risk worth taking.

Coolers, or cobblers as they are also known, did surface before. They made their debut as early as the turn of the Century, and were commonly called "okie cocktails" which was a reference to the poor migrant workers of the Depression. Coolers dabbled in the marketplace again in the 50s when a few wineries marketed wine mixed with fruit juices. The product never did gain wide popularity, until Crete mixed his now famous brew.

Today, both the industry and provincial boards have been surprised by the popularity of the cooler. In the United States, sales reached 106 million cases in 1986, which adds up to more than $1.5 billion in retail sales. The cooler had travelled quite a distance from the back of a pick-up truck.

Here at home, a canuck's cooler was launched in 1984. Though the Canadian version hasn't been as successful as its American cousin, it has found a comfortable niche in the market. Wine coolers account for 24 percent of the Canadian wine market, compared to 18 percent last year.

The product proved to be of great interest to the spirits industry, which had been experiencing a stagnant market. This new product offered an opportunity for growth. In 1988, spirit based coolers broke all sales records in Canada. Sales increased 120 percent in the first five months of the year, compared to 1987.

How does one explain the cooler's charisma? One theory is that since we are more concerned as a society about fitness and health — a lighter, low alcohol beverage is more popular. Coolers usually have about five percent alcohol by volume.

The increased awareness of the dangers of drinking and driving has also helped to make lower alcohol products more appealing. Also, some view coolers as an alternative to beer or wine, and find the price to be reasonable. In this age of convenience, the cooler's packaging has helped to increase sales. They are sold in packs of four, or individually here in Nova Scotia.

The cooler has also been

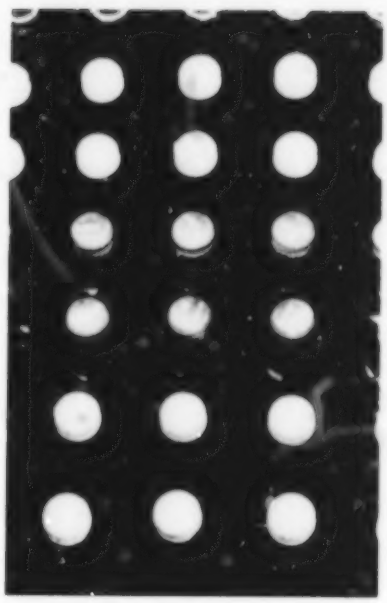
marketed aggressively. These are the first spirit based products ever permitted to broadcast media advertising time. It has become an important selling tool. The largest distributor of coolers in this country budgeted almost $2 million in advertising for 1988.

There is also a trend towards in-store marketing. Cooler purchases tend to be on impulse, therefore its presentation is very important. Displays in liquor stores across the country are attractive and colourful. Some market analysts feel this unique in-store merchandising has permanently changed the nature of liquor store outlets in Canada.

Purchases of coolers also tend to be highly flavour driven. Consumers usually look for a particular flavour of cooler, as opposed to a particular brand. As a result, effective in-store displays can be just what the consumer is looking for.

Has this aggressive marketing paid off? Here in Nova Scotia, spirit based coolers accounted for about 30 percent of the market. By 1987, they had grown to about 44 percent of the cooler market, overshadowing the original wine based cooler.

One of the reasons spirit based coolers are moving more rapidly in the marketplace is because of the alcohol base used. The distiller can choose from several options, such as whiskey, rum, gin, tequila, or vodka. This choice of bases makes for several varieties of tastes and flavours.



It was not only the spirits industry that realized the profit potential for coolers. In 1985, one of Canada's major breweries launched their version of the cooler. This made the cooler the only beverage alcohol classification to include wine, beer and spirit based products.

Today, there are almost 40 different coolers on the market in Canada. Flavours range from peach, berry to tequila-lime. Yet, this range of flavours has not stopped the search for something new.

Most analysts agree that coolers have found a permanent place in the industry. They also believe that some settling will occur as consumers align themselves with their favourites. As a result, the number of coolers on the shelf will decline. This trend is already apparent in the United States. Sales are still growing in Canada, but not at the pace that greeted their debut.

The pressure is on the industry once again to come up with something new to catch the fancy of the thirsty consumer. Perhaps even as you read this, another Crete is mixing something that will break the sales records tomorrow. Who knows — with a little imagination, and a little luck — it could even be you.

Source Of Gross Liquor Revenue — 1988

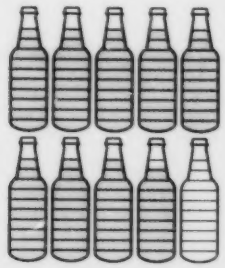
Dollars to the nearest 000's

	$	%
Spirits	$123,818.4	39.8%
Wine	$31,416.4	10.1%
Beer	$150,835.7	48.4%
Coolers	$5,335.4	1.7%
Total	**$311,405.9**	**100.0%**

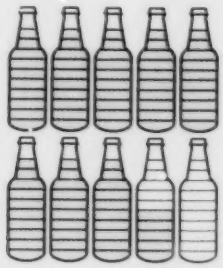
General Licensee Sales — 1988

Source of Gross Liquor Revenue

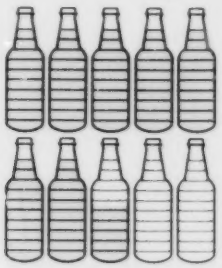
Dollars to the nearest 000's



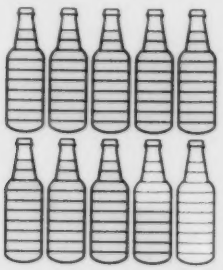
Spirits	$	%
General	**$110,771.2**	**89.5%**
Licensee	$13,047.2	10.5%
Total	**$123,818.4**	**100.0%**



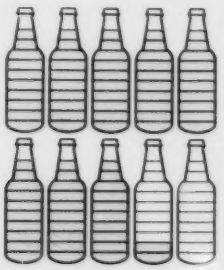
Wine		
General	**$26,321.8**	**85.9%**
Licensee	$4,336.7	14.1%
Total	**$30,658.5**	**100.0%**



Beer		
General	**$112,532.5**	**75.3%**
Licensee	$36,849.7	24.7%
Total	**$149,382.2**	**100.0%**



Coolers		
General	**$4,566.1**	**85.6%**
Licensee	$769.3	14.4%
Total	**$5,335.4**	**100.0%**

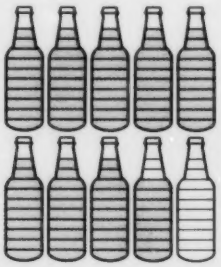


Total		
General	**$254,191.6**	**82.2%**
Licensee	$55,002.9	17.8%
	$309,194.5	**100.0%**
Producer	$2,211.4	
Total Sales	**$311,405.9**	**100.0%**

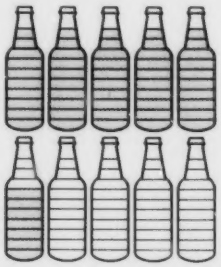
Canadian And Imported Sales —March 1988

Source of Gross Liquor Revenue

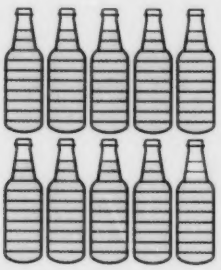
Dollars to the nearest 000's



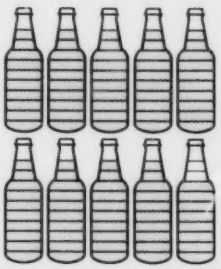
Spirits	$	%
Canadian	**$108,775.9**	**87.9%**
Imported	$15,042.5	12.1%
Total	$123,818.4	100.0%



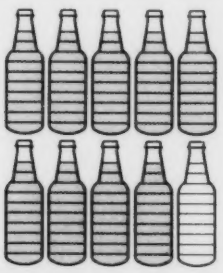
Wine		
Canadian	**$17,896.1**	**57.0%**
Imported	$13,520.2	43.0%
Total	$31,416.3	100.0%



Beer		
Canadian	**$148,137.5**	**98.2%**
Imported	$2,698.2	1.8%
Total	$150,835.7	100.0%



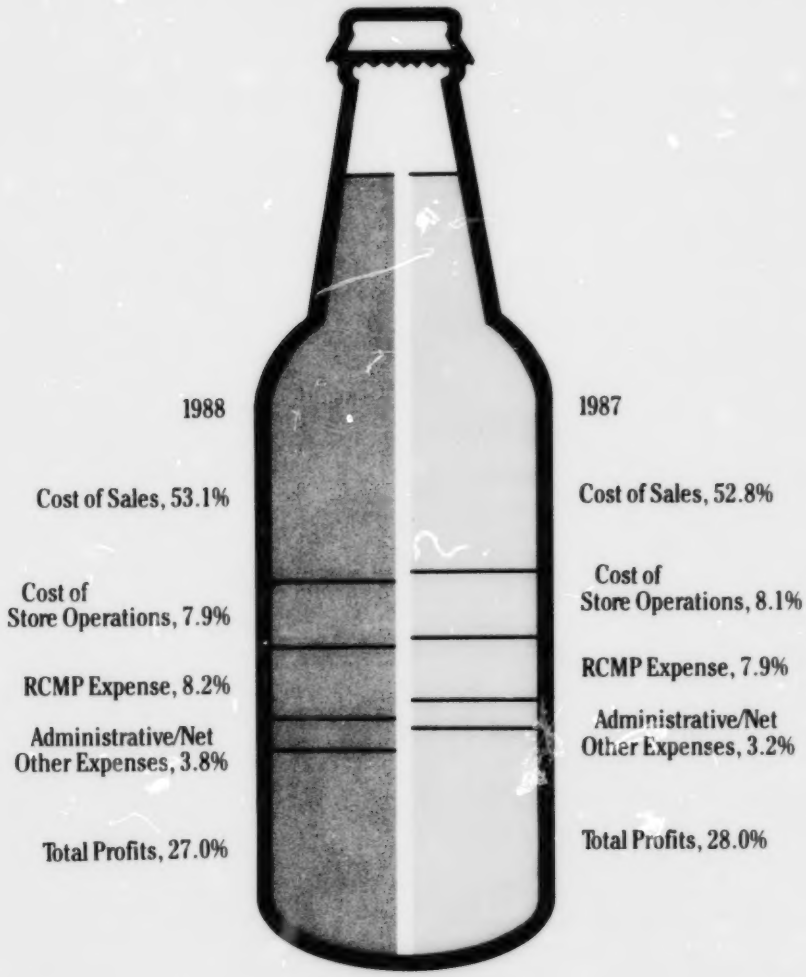
Coolers		
Canadian	**$5,224.3**	**97.9%**
Imported	$111.2	2.1%
Total	$5,335.5	100.0%



Total		
Canadian	**$280,033.8**	**89.9%**
Imported	$31,372.1	10.1%
Total	$311,405.9	100.0%

Distribution of Liquor Revenue Dollars

Two year comparison
Dollars to the nearest 000's



	1988	1987
Cost of Sales	$165,210.9 • 53.1%	$157,460.3 • 52.8%
Cost of Store Operations	$24,631.1 • 7.9%	$24,080.2 • 8.1%
RCMP Expense	$25,423.5 • 8.2%	$23,758.3 • 7.9%
Administrative/Net Other Expenses	$11,941.7 • 3.8%	$9,600.6 • 3.2%
Total Profits	$84,055.8 • 27.0%	$83,454.0 • 28.0%

Five Year Sales Comparison

Dollars to the nearest 000's

By Class of Sales

Year	Spirits	Wine	Beer	Coolers	Total
87–88	$123,818.4	$31,416.4	$150,835.7	$5,335.4	**$311,405.9**
86–87	$121,691.1	$31,268.2	$141,256.9	$4,185.8	**$298,402.0**
85–86	$118,604.4	$30,610.2	$137,186.9	—	**$286,401.5**
84–85	$115,706.7	$28,750.6	$129,609.2	—	**$274,066.5**
83–84	$114,627.8	$26,659.4	$115,363.1	—	**$256,650.3**

Canadian vs. Imported

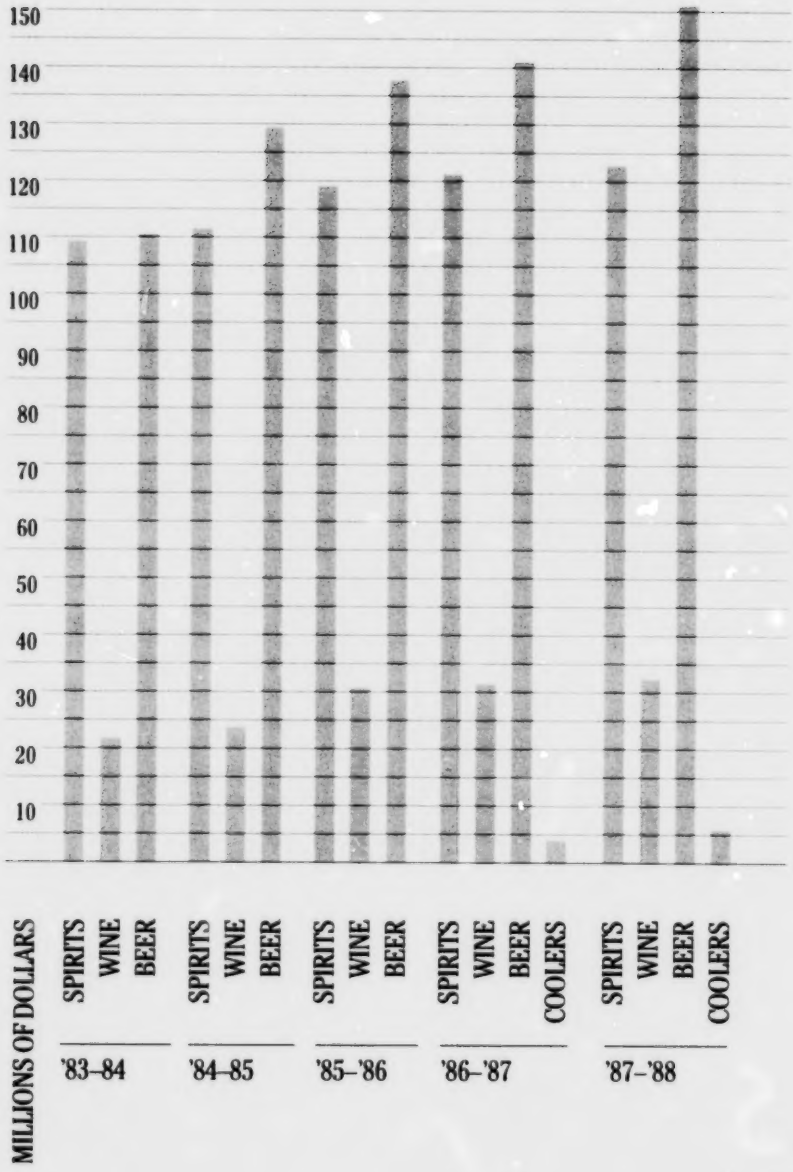
	Year	Spirits	Wine	Beer	Coolers	Total
Canadian	87–88	$108,775.9	$17,896.1	$148,137.5	$5,224.3	**$280,033.8**
Imported		$15,042.5	$13,520.2	$2,698.2	$111.2	**$31,372.1**
Canadian	86–87	$107,731.8	$18,591.7	$139,944.6	$4,185.8	**$270,453.9**
Imported		$13,959.3	$12,676.5	$1,312.3	$0.0	**$27,948.1**
Canadian	85–86	$105,254.9	$17,127.8	$136,051.2	—	**$258,433.9**
Imported		$13,349.5	$13,482.4	$1,135.7	—	**$27,967.6**
Canadian	84–85	$103,031.5	$15,973.6	$128,563.4	—	**$247,568.5**
Imported		$12,675.5	$12,776.7	$1,045.8	—	**$26,498.0**
Canadian	83–84	$102,532.7	$14,799.3	$114,213.3	—	$231,545.3
Imported		$12,094.9	$11,860.3	$1,149.8	—	**$25,105.0**

Licensee Sales

Year	Spirits	Wine	Beer	Coolers	Total
87–88	$13,047.2	$4,336.7	$36,849.7	**$769.3**	**$55,002.9**
86–87	$13,149.8	$4,723.7	$35,759.0	$657.1	**$54,289.6**
85–86	$12,554.7	$4,803.9	$34,027.7	—	**$51,386.3**
84–85	$11,943.0	$4,204.2	$33,159.6	—	**$49,306.8**
83–84	$11,553.6	$3,748.2	$30,836.1	—	**$46,137.9**

Five Year Sales Comparison

Dollars to the nearest 000's



Five Year Sales By Category In Hectolitres

Year Ended March 31

Category	1988 Hectolitres	% Category	% Total	1987 Hectolitres	% Category	% Total	1986 Hectolitres	% Category	% Total	1985 Hectolitres	% Category	% Total	1984 Hectolitres	% Category	% Total
Beer	622,981.6	100%	84.4%	622,143.3	100.0%	84.1%	643,002.5	100.0%	84.9%	646,969.9	100.0%	84.9%	619,653.8	100.0%	84.2%
Spirits															
Brandy	666.3	1.2%	0.1%	715.2	1.2%	0.1%	902.2	1.5%	0.1%	832.1	1.3%	0.1%	818.8	1.2%	0.1%
Vodka	6,985.0	12.1%	0.9%	6,848.5	11.7%	0.9%	7,103.2	11.7%	0.9%	7,151.9	11.6%	0.9%	7,522.6	11.5%	1.0%
Gin	1,871.9	3.3%	0.3%	2,016.4	3.5%	0.3%	2,237.9	3.7%	0.3%	2,373.8	3.8%	0.3%	2,532.1	3.9%	0.3%
Rum	28,677.7	49.7%	3.9%	28,910.0	49.5%	3.9%	29,150.9	47.9%	3.8%	29,625.7	47.3%	3.8%	31,004.6	47.2%	4.2%
Whiskey	15,522.8	27.0%	2.1%	16,484.3	28.2%	2.2%	18,166.5	29.9%	2.4%	19,020.9	30.8%	2.5%	20,783.6	31.7%	2.8%
Liquers	3,832.6	6.7%	0.5%	3,430.5	5.9%	0.5%	3,277.9	5.4%	0.4%	3,187.6	5.2%	0.4%	2,979.8	4.5%	0.4%
Total	57,556.3	100.0%	7.8%	58,404.9	100.0%	7.9%	60,838.6	100.0%	8.0%	61,832.0	100.0%	8.1%	65,641.5	100.0%	8.9%
Wines															
Vermouth	328.9	0.7%	0.0%	379.1	0.8%	0.1%	408.7	0.8%	0.1%	443.4	0.8%	0.1%	476.5	0.9%	0.1%
Aperitif	1,193.1	2.6%	0.2%	837.2	1.7%	0.1%	647.1	1.2%	0.1%	427.7	0.8%	0.1%	489.5	1.0%	0.1%
Fruit	392.9	0.9%	0.1%	474.4	1.0%	0.1%	611.4	1.1%	0.1%	769.2	1.4%	0.1%	1,037.2	2.0%	0.1%
Cider	127.1	0.3%	0.0%	176.0	0.4%	0.0%	269.6	0.5%	0.0%	301.4	0.6%	0.0%	285.2	0.6%	0.0%
Communio	7.9	0.0%	0.0%	6.2	0.0%	0.0%	7.4	0.0%	0.0%	8.8	0.0%	0.0%	8.2	0.0%	0.0%
Kosher	21.0	0.0%	0.0%	37.6	0.1%	0.0%	39.4	0.1%	0.0%	49.1	0.1%	0.0%	44.4	0.1%	0.0%
Sherry	6,239.2	13.8%	0.8%	7,058.8	14.5%	1.0%	7,795.6	14.5%	1.0%	8,071.0	15.1%	1.1%	7,763.6	15.3%	1.1%
Madeira	3.8	0.0%	0.0%	2.1	0.0%	0.0%	2.1	0.0%	0.0%	1.9	0.0%	0.0%	3.0	0.0%	0.0%
Port	2,308.7	5.1%	0.3%	2,623.5	5.4%	0.4%	2,722.4	5.1%	0.4%	2,804.8	5.3%	0.4%	2,507.4	4.9%	0.3%
Table White	22,408.8	49.5%	3.0%	23,352.3	47.9%	3.2%	25,413.4	47.4%	3.4%	23,957.7	44.8%	3.1%	21,386.5	42.2%	2.9%
Table Red	5,184.8	11.4%	0.7%	5,543.1	11.4%	0.7%	6,105.4	11.4%	0.8%	6,241.6	11.7%	0.8%	6,338.5	12.5%	0.9%
Table Rose	796.4	1.8%	0.1%	921.3	1.9%	0.1%	911.8	1.7%	0.1%	1,163.5	2.2%	0.2%	1,368.0	2.7%	0.2%
Sparkling	4,945.4	10.9%	0.7%	5,786.2	11.9%	0.8%	6,989.5	13.0%	0.9%	7,494.0	14.0%	1.0%	7,251.0	14.3%	1.0%
Champagne	1,369.2	3.0%	0.2%	1,527.9	3.1%	0.2%	1,696.6	3.2%	0.2%	1,685.5	3.2%	0.2%	1,724.3	3.4%	0.2%
Total Wine	45,327.2	100.0%	6.1%	48,725.7	100.0%	6.6%	53,620.1	100.0%	7.1%	53,419.6	100.0%	7.0%	50,683.3	100.0%	6.9%
Coolers															
Canadian	12,414.2	98.0%	1.7%	10,611.7	100%	1.4%	0.3	100%	0.0%	0.0		0.0%	0.0		0.0%
Imported	256.3	2.0%	0.0%												
Total Cooler	12,670.5	100.0%	1.7%												
Grand Total	738,535.6	100.0%	100.0%	739,885.6	100%	100.0%	757,461.5	100%	100.0%	762,221.5	100%	100.0%	735,978.6	100%	100.0%

Auditors' Report

To the Honourable
Ronald S. Russell
Minister in Charge of
Administration
Liquor Control Act
Province of Nova Scotia
Halifax, Nova Scotia

June 6, 1988

We have examined the balance sheet of The Nova Scotia Liquor Commission as at March 31, 1988 and the statements of income and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1988 and the results of its operations and the changes in its financial position for the year then ended on a basis consistent with that of the preceding year.

Thorne Ernst & Whinney
Chartered Accountants

Balance Sheet

	March 31 1988	1987
Assets		
Current Assets		
Cash	$ 2,508,767	$ 1,764,990
Accounts receivable	778,822	584,493
Inventories of stock in warehouse and stores	15,139,368	13,512,376
Prepaid expenses	511,271	565,021
	18,938,228	16,426,880
Property And Equipment		
Furniture, fixtures and portable equipment	4,725,023	4,228,972
Other equipment	3,130,177	2,457,207
Land and buildings	9,960,319	9,377,171
Capital and leasehold improvements	11,568,209	9,688,622
	29,383,728	25,751,972
Less accumulated depreciation and amortization	20,143,378	19,087,713
	9,240,350	6,664,259
Assets Under Capital Leases	10,830,848	10,708,858
Less accumulated amortization	1,083,085	537,981
	9,747,763	10,170,877
	$37,926,341	$33,262,016
Liabilities		
Current Liabilities		
Accounts payable	$ 7,471,683	$ 5,094,033
Current obligations under capital leases (note 1)	88,742	238,570
	7,560,425	5,332,603
Long-term Liability		
Obligations under capital leases (note 1)	10,646,481	10,345,042
Due To Minister Of Finance		
Balance at beginning of year	17,584,371	15,639,014
Remittances	17,584,371	15,640,869
	—	(1,855)
Current year		
Net income	84,055,776	83,454,000
Remittances	64,336,341	65,867,774
Balance at end of year	19,719,435	17,584,371
	$37,926,341	$33,262,016

Operating leases (note 4) Commitment (note 5)

Statement of Income

	Year Ended March 31			
	1988	% of Sales	1987	% of Sales
Sales	$311,262,987	100.0	$298,353,456	100.0
Cost of goods sold	165,210,858	53.1	157,460,312	52.8
	146,052,129	46.9	140,893,144	47.2
Stores' operating expenses (note 2)	24,631,134	7.9	24,080,247	8.1
Income, store operations	121,420,995	39.0	116,812,897	39.1
Administrative expenses (note 2)	13,314,097	4.3	10,900,337	3.6
Other revenue	(1,804,465)	(0.6)	(1,695,738)	(0.5)
Other expenses	432,096	0.1	396,042	0.1
	11,941,728	3.8	9,600,641	3.2
Income Arising From Operations	109,479,267	35.2	107,212,256	35.9
Maintenance of Royal Canadian Mounted Police (note 3)	25,423,491	8.2	23,758,256	7.9
Net Income	$ 84,055,776	27.0	$ 83,454,000	28.0

Statement of Changes In Financial Position

	Year Ended March 31 1988	1987
Cash Provided By (Used For):		
Operations		
Net income	$84,055,776	$83,454,000
Depreciation and amortization not involving cash	1,631,716	1,198,696
Change in non-cash operating working capital	610,079	(2,604,374)
	86,297,571	82,048,322
Financing		
Increase in obligations under capital leases	172,753	10,708,858
Payments for obligations under capital leases	(21,142)	(125,246)
	151,611	10,583,612
Investments		
Additions to property and equipment (net)	(3,784,693)	(13,712,070)
Other		
Remittances to Minister of Finance	(81,920,712)	(81,508,643)
Increase (Decrease) In Cash	743,777	(2,588,779)
Cash at beginning of year	1,764,990	4,353,769
Cash At End Of Year	$ 2,508,767	$ 1,764,990

Notes To Financial Statements

year ended March 31, 1988

General

The Commission is incorporated under the laws of the Province of Nova Scotia and administers the Liquor Control Act, Chapter 169 from the Revised Statutes of Nova Scotia, 1967.

Summary of Significant Accounting Policies

Inventories

Inventories of stock in warehouse and stores are valued at the lower of cost and net realizable value. Customs and excise tax have not been included where payment is due upon shipment from bonded warehouse.

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization are provided on the straight-line basis at the following annual rates:

Furniture, fixtures, portable equipment, other equipment and capital and leasehold improvements	10%
Land and buildings	5%

In the year of addition, depreciation is charged at the full annual rate.

Land costs which normally would not be depreciated are written off due to the retention of proceeds by the Province of Nova Scotia

Assets Under Capital Leases

Assets under capital leases are amortized over their estimated useful lives using the straight-line method.

1. Obligations Under Capital Leases

The Commission has obligations under capital leases, which mature in 1993 and 2011. The obligations represent the total present value of future minimum lease payments discounted at the rates implicit in the leases which are 11.9% and 13.8%. The following is a schedule by years of future minimum lease payments together with the balance of the obligations under capital leases as of March 31, 1988:

1989	$ 1,580,021
1990	1,580,021
1991	1,580,021
1992	1,580,021
1993	1,560,984
1994–2011	28,680,324
Total minimum lease payments	36,561,392
Less amount representing interest	25,826,169
Balance of obligation	10,735,223
Less amount included in current liabilities	88,742
	$10,646,481

2. Expenses

Amortization of leasehold improvements and depreciation expense is recorded in expenses as follows:

	1988	1987
Stores' operating expenses	$ 906,768	$527,382
Administrative expenses	174,768	133,333
	$1,081,536	$660,715

Administrative expenses also include the following:		
Interest on obligations under capital leases	$1,607,404	$330,422
Amortization of capital leases	$ 550,180	$537,981

3. Maintenance of Royal Canadian Mounted Police

Payments are made for the maintenance of the Royal Canadian Mounted Police in accordance with the Liquor Control Act.

4. Operating Leases

The Commission leases buildings, premises and equipment under operating leases which expire at various dates between 1988 and 2006. Some of these operating leases contain renewal options at the end of the initial lease term.

The following is an approximate schedule by years of future minimum rental payments required under operating leases that have initial lease terms in excess of one year, as of March 31, 1988:

1989	$ 1,910,698
1990	1,664,218
1991	1,457,638
1992	1,366,994
1993	1,282,032
1994 to 2006	7,210,486
Total minimum payments required	$14,892,066

5. Commitment

Subsequent to March 31, 1988, the Commission entered into an agreement for the purchase of computerized cash registers totalling approximately $800,000.

Sale of Alcoholic Beverages By Volume Per Capita

15 years and over
Litres per capita
5 year comparison

	1983	1984	1985	1986	1987
Spirits					
Newfoundland	9.5	9.2	8.6	9.5	8.7
Prince Edward Island	10.0	9.1	8.9	8.4	8.0
Nova Scotia	10.6	9.7	9.0	8.8	8.9
New Brunswick	7.6	6.8	6.3	6.2	6.1
Québec	5.4	5.2	4.9	4.5	4.1
Ontario	10.1	9.3	9.0	8.6	8.7
Manitoba	11.6	10.1	9.8	10.0	9.0
Sasktchewan	11.8	11.0	10.1	10.1	9.8
Alberta	15.0	13.7	12.7	12.7	11.8
British Columbia	12.5	11.3	10.7	10.3	10.2
Yukon	20.5	18.2	16.8	15.8	15.4
Northwest Territories	17.5	16.1	16.1	15.7	13.9
Total	**9.7**	**8.9**	**8.5**	**8.2**	**8.0**
Wines					
Newfoundland	4.1	3.8	3.8	4.2	4.0
Prince Edward Island	5.2	5.8	5.4	5.8	6.1
Nova Scotia	7.3	7.5	7.8	7.7	8.1
New Brunswick	5.6	5.6	5.8	5.8	5.9
Québec	12.0	12.5	13.1	14.1	13.8
Ontario	11.6	11.4	11.8	11.7	11.6
Manitoba	9.1	8.5	8.6	9.0	8.9
Saskatchewan	6.8	6.6	6.8	7.1	6.7
Alberta	13.3	12.6	12.5	13.5	12.4
British Columbia	19.3	19.4	20.2	20.5	20.6
Yukon	23.8	21.2	20.7	21.0	19.3
Northwest Territories	8.6	8.6	9.3	8.5	7.8
Total	**11.9**	**12.0**	**12.4**	**12.7**	**12.5**
Beer					
Newfoundland	121.9	116.5	119.5	90.9	120.9
Prince Edward Island	96.4	92.3	93.8	91.5	88.7
Nova Scotia	91.6	91.6	94.1	92.6	89.8
New Brunswick	98.6	94.8	94.6	91.8	88.1
Québec	108.0	109.3	107.1	114.8	102.5
Ontario	110.0	109.9	106.6	110.1	109.2
Manitoba	98.6	103.0	106.2	97.3	97.2
Saskatchewan	84.9	87.2	88.8	84.5	82.4
Alberta	101.0	100.0	98.1	95.1	96.3
British Columbia	103.9	99.9	101.0	96.6	100.2
Yukon	187.8	182.8	185.8	184.9	179.6
Northwest Territories	111.2	118.9	121.8	121.2	120.3
Total	**105.8**	**105.6**	**104.1**	**104.6**	**102.7**

All Alcoholic Beverages					
Newfoundland	135.5	129.5	131.9	104.6	133.6
Prince Edward Island	111.6	107.2	108.1	105.7	102.8
Nova Scotia	109.5	108.8	110.9	109.1	106.8
New Brunswick	111.8	107.2	106.7	103.8	100.1
Québec	125.4	127.0	125.1	133.4	120.4
Ontario	131.7	130.6	127.4	130.4	129.5
Manitoba	119.3	121.6	124.6	116.3	115.1
Saskatchewan	103.5	104.8	105.7	101.7	98.9
Alberta	129.3	126.3	123.3	121.3	120.5
British Columbia	135.7	130.6	131.9	127.4	131.0
Yukon	232.1	222.2	223.3	221.7	214.3
Northwest Territories	137.3	143.6	147.2	145.5	142.0
Total	**127.4**	**126.5**	**125.0**	**125.7**	**123.2**

Sales In Hectolitres

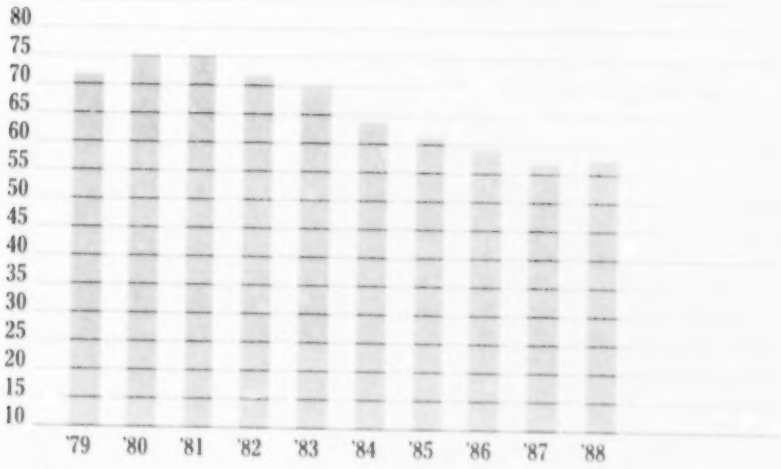
5 Years
Approximate Hectolitres

	1987/88	%	1986/87	%	1985/86	%	1984/85	%	1983/84	%
Spirits										
Canadian	**51,198.9**		52,388.1		54,721.7		55,730.0		59,568.0	
Imported	**6,357.4**		6,016.8		6,116.9		6,102.0		6,074.0	
Total	**57,556.3**	**7.8%**	58,404.9	7.9%	60,838.6	8.0%	61,832.0	8.1%	65,642.0	8.9%
Wine										
Canadian	**33,758.3**		35,117.9		34,065.3		33,335.0		31,259.0	
Imported	**14,305.4**		15,217.0		19,555.4		20,085.0		19,424.0	
Total	**48,063.7**	**6.1%**	50,334.9	6.8%	53,620.7	7.1%	53,420.0	7.0%	50,683.0	6.9%
Beer										
Canadian	**625,844.1**		619,370.5		639,366.9		643,712.0		615,671.0	
Imported	**3,935.7**		3,985.0		3,635.6		3,258.0		3,983.0	
Total	**629,779.8**	**84.4%**	623,355.5	83.9%	643,002.5	84.9%	646,970.0	84.9%	619,654.0	84.2%
Coolers										
Canadian	**12,670.5**	**1.7%**	10,611.7	1.4%						
Grand Total	**748,070.3**	**100.0%**	742,707.0	100.0%	757,461.8	100.0%	762,222.0	100.0%	735,979.0	100.0%

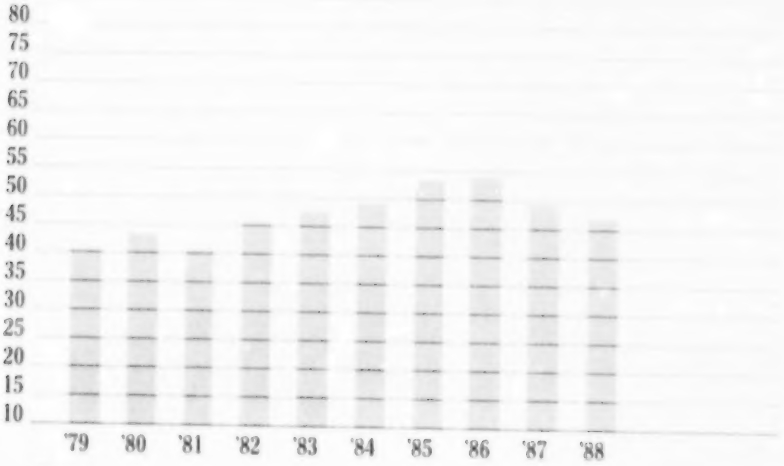
Sales In Hectolitres

Ten year growth pattern
Volume to the nearest 000's

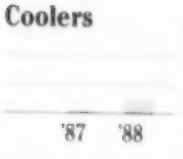
Spirits



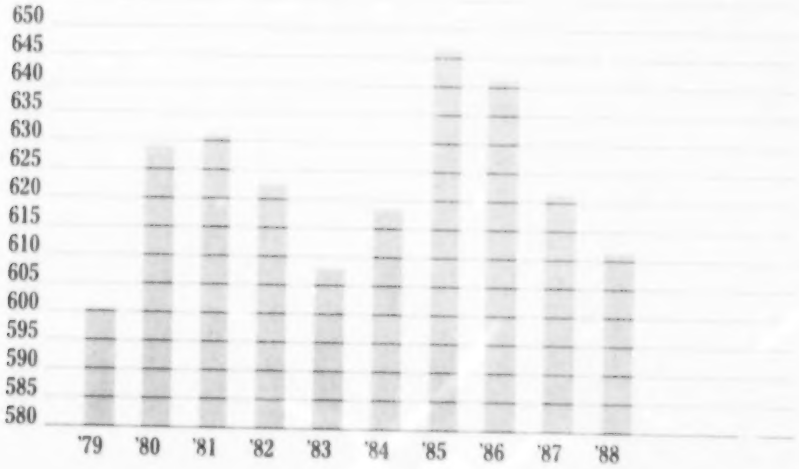
Wine



Coolers



Beer



Sales By Stores

March 31, 1988

■ Self-service ▼ Speciality section
● Bottle returns ● Cold beer

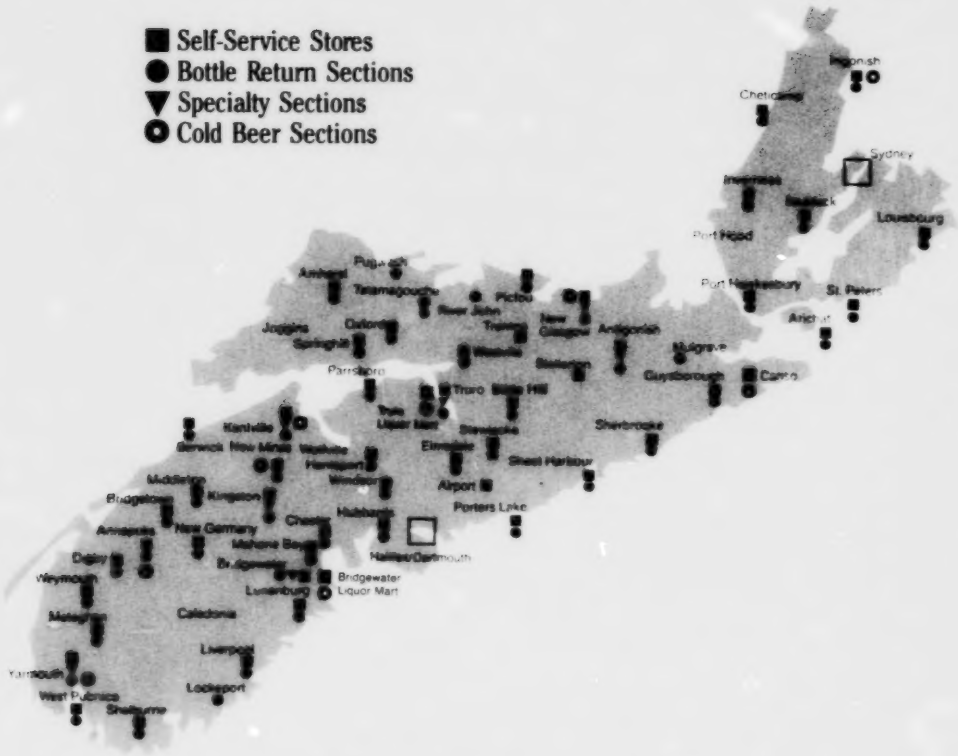
Store Number & Name		Spirits	Wine	Beer	Coolers	Total
Region 1 — Halifax						
104 Agricola Street	■ ● ▼ ●	2,655,185.97	1,083,243.30	3,108,773.75	117,562.35	$6,964,765.37
110 Bayers Road	■ ●	1,971,884.03	612,534.44	1,522,994.23	87,483.82	$4,194,896.52
120 Clyde Street	■ ●	2,887,521.27	1,630,580.88	2,595,309.65	151,510.04	$7,264,921.84
145 Halifax Shop Centre	■ ●	3,581,208.51	1,372,124.73	3,232,427.86	193,145.13	$8,378,906.23
151 Hollis Street	■ ●	1,097,766.16	436,956.81	674,627.49	25,662.63	$2,235,013.09
155 Port of Wines	■	94,798.75	746,006.32	7,768.55	0.00	$848,573.62
170 Rockingham Ridge	■ ● ●	1,789,069.75	675,034.17	2,137,357.13	107,267.68	$4,708,728.73
280 Scotia Square	■ ●	1,334,323.25	496,585.47	549,868.63	47,213.02	$2,427,990.37
185 Spryfield	■ ●	1,906,117.56	411,310.89	2,465,405.67	88,428.65	$4,871,262.77
190 Strawberry Hill	■ ●	2,128,943.53	897,453.27	1,933,711.90	63,584.92	$5,023,693.62
191 Halifax Licensee		19,883.82	13,500.60	83,092.25	543.07	$117,019.74
199 Licensee Operation		6,875,151.87	2,934,586.80	17,845,565.36	383,755.09	$28,039,059.12
TOTAL		**$26,341,854.47**	**$11,309,917.68**	**$36,156,902.47**	**$1,266,156.40**	**$75,074,831.02**
Region 2 — Dartmouth						
201 Airport	■	642,831.75	117,483.04	434,831.64	11,754.09	$1,206,900.52
202 Bedford Place	■ ●	3,097,843.95	975,791.27	2,793,095.92	168,123.76	$7,034,854.90
209 DART — Bridge P.	■ ●	2,376,753.66	686,354.62	2,420,331.37	108,497.63	$5,591,937.28
210 DART — Burnside	■ ●	263,819.14	51,729.55	86,911.16	3,698.81	$406,158.66
211 DART — Canal St	■ ● ▼ ●	2,268,248.93	788,300.26	2,418,744.62	113,224.28	$5,588,518.09
212 DART — Licensee		10,154.96	3,717.36	40,660.94	412.16	$54,945.42
219 DART — Westphal	■ ●	4,193,422.11	1,178,503.67	4,176,108.71	240,597.32	$9,788,631.81
SUB-TOTAL		**$9,112,398.80**	**$2,708,605.46**	**$9,142,756.80**	**$466,430.20**	**$21,430,191.26**
223 Elmsdale	■ ●	1,263,744.24	195,814.10	1,784,689.69	55,250.36	$3,299,498.39
227 Forest Hills	■ ●	2,619,788.97	877,140.34	2,820,280.07	169,992.24	$6,487,201.62
270 Porters Lake	■ ●	1,452,732.65	231,218.95	1,427,844.90	55,419.20	$3,167,215.70
275 Sackville Town C	■ ● ●	2,141,572.10	457,609.99	2,790,263.02	126,952.22	$5,516,397.33
280 Sheet Harbour	■ ● ▼ ●	564,267.43	81,973.47	655,229.41	16,455.33	$1,317,925.64
285 Stewiacke	■ ●	831,172.43	119,456.32	1,068,272.66	30,535.94	$2,049,437.35
TOTAL		**$21,726,352.32**	**$5,765,092.94**	**$22,917,264.11**	**$1,100,913.34**	**$51,509,622.71**
Region 3 — Eastern						
303 Antigonish	■ ● ▼	3,351,382.20	574,536.62	3,632,868.50	81,441.44	$7,820,228.76
307 Arichat	■ ●	719,898.25	103,747.50	685,848.50	12,358.72	$1,521,852.97
312 Canso	■ ●	450,107.95	54,910.97	682,803.64	12,449.36	$1,200,271.92
317 Guysborough	■ ●	433,298.38	102,093.27	639,952.72	18,450.20	$1,193,794.57
340 Mulgrave	●	334,333.27	66,197.77	490,733.09	4,042.31	$895,306.44
345 New Glasgow	■ ● ▼ ●	2,896,564.28	608,503.00	3,266,035.99	138,902.74	$6,910,006.01
345 New Glasgow Lic		517,162.70	40,881.83	1,282,583.10	25,737.93	$1,866,365.56
355 Port Hawkesbury	■ ●	2,068,952.50	348,649.08	2,120,806.02	50,221.76	$4,588,629.36
360 Port Hood		559,092.45	64,857.25	532,174.96	6,423.93	$1,162,548.59
370 Sherbrooke	■ ●	374,333.28	45,998.04	378,389.90	11,723.78	$810,445.00
370 Stellarton	■	809,329.72	119,729.24	819,534.62	22,383.13	$1,770,976.71
375 St. Peters	■ ●	594,227.75	118,825.11	954,340.54	15,325.30	$1,682,718.70
387 Trenton	■	465,165.73	71,392.56	521,213.24	15,938.05	$1,073,709.58
397 Westville	■ ●	585,402.47	97,763.79	800,600.80	21,902.24	$1,505,669.30
TOTAL		**$14,339,250.93**	**$2,418,086.03**	**$16,807,885.62**	**$437,300.89**	**$34,002,523.47**

Region 4 — Cape Breton							
408	Baddeck	■ ●	969,086.95	212,689.63	1,034,678.61	31,572.85	$2,248,028.04
413	Cheticamp	■ ●	703,378.64	111,897.76	1,037,472.72	19,559.92	$1,872,309.04
418	Dominion	■ ●	515,190.40	74,471.21	653,233.93	15,651.44	$1,258,546.98
426	Glace Bay	■ ●	2,571,306.44	390,640.14	2,981,613.84	106,551.20	$6,050,111.62
427	Glace Bay Licensee		429,043.34	8,345.31	1,284,684.80	13,907.51	$1,735,980.96
431	Ingonish	■ ● ●	649,308.88	135,560.04	721,790.54	24,498.41	$1,531,157.87
436	Inverness	■ ●	892,543.52	106,010.85	970,819.50	22,351.37	$1,991,725.24
441	Louisbourg	■ ●	495,378.76	54,202.14	605,629.37	17,876.24	$1,173,086.51
445	New Waterford	■ ●	1,274,560.81	178,948.03	2,363,999.46	48,961.39	$3,866,469.69
451	North Sydney	■ ●	2,354,352.00	307,543.92	2,707,748.21	84,593.70	$5,454,237.83
473	SYDNEY — Ashby	■ ●	1,395,001.46	197,485.14	1,030,684.93	39,951.27	$2,663,122.80
474	SYDNEY — Licensee		1,178,518.35	239,307.60	3,165,818.67	69,030.28	$4,652,674.90
479	SYDNEY	■ ●	3,490,684.23	595,867.23	3,514,839.84	118,052.95	$7,719,444.25
483	SYDNEY — Whitney P		538,444.12	60,118.37	637,269.31	11,292.84	$1,247,124.64
SUB-TOTAL			**$6,602,648.16**	**$1,092,778.34**	**$8,348,612.75**	**$238,327.34**	**$16,282,366.59**
490	Sydney Mines	■ ●	1,112,424.60	133,550.41	1,401,657.16	40,235.26	$2,687,867.43
496	Sydney River	■ ● ▼ ●	3,085,041.20	629,373.96	2,666,277.84	101,258.68	$6,481,951.68
TOTAL			**$21,654,263.70**	**$3,436,011.74**	**$26,778,218.73**	**$765,345.31**	**$52,633,839.48**
Region 5 — Northern							
502	Amherst	■ ●	1,800,952.17	378,108.78	2,738,261.91	82,323.55	$4,999,646.41
510	Bible Hill	■ ●	931,926.27	165,349.48	1,015,433.98	35,137.67	$2,147,847.40
522	Joggins		109,089.22	14,354.69	243,487.79	4,954.45	$371,886.15
538	Oxford	■ ●	425,672.60	57,249.45	514,958.67	16,377.73	$1,014,258.45
543	Parrsboro	■ ●	484,141.23	83,150.11	720,476.81	28,171.87	$1,315,940.02
548	Pictou	■ ●	1,137,760.24	221,911.57	1,249,446.23	38,021.78	$2,647,139.82
553	Pugwash	●	364,409.66	46,671.21	451,374.57	12,735.87	$875,191.31
558	River John	●	208,655.18	38,744.58	320,841.97	6,587.08	$574,828.81
567	Springhill	■ ●	506,494.14	80,244.39	945,376.57	25,824.38	$1,557,939.48
582	Tatamagouche	■ ● ●	404,637.29	87,946.80	663,431.29	23,265.65	$1,179,281.03
592	Truro	■ ● ▼	3,768,952.81	755,643.96	3,768,615.27	169,367.74	$8,462,579.78
593	Truro Licensee		568,609.01	82,558.37	1,291,237.87	36,282.19	$1,978,687.44
594	Truro Liquor Mart	■ ●	346,661.02	67,959.75	450,185.20	17,089.13	$881,895.10
TOTAL			**$11,057,960.84**	**$2,079,893.14**	**$14,373,128.13**	**$496,139.09**	**$28,007,121.20**
Region 6 — Valley							
602	Annapolis	■ ● ●	831,261.41	203,927.61	911,411.62	42,172.40	$2,068,773.04
611	Berwick	■ ●	858,457.33	145,191.33	1,109,125.82	43,290.29	$2,156,064.77
615	Bridgetown	■ ●	458,092.29	90,153.79	491,680.83	19,100.98	$1,059,027.89
620	Digby	■ ●	1,567,148.96	296,287.66	1,769,261.81	69,233.06	$3,701,931.49
630	Hantsport	■ ●	334,664.63	61,827.19	363,207.44	15,462.04	$775,161.30
646	Kentville	■ ● ▼ ●	1,503,386.22	379,574.81	2,224,769.83	104,023.73	$4,211,754.59
648	Kingston	■ ● ▼	1,291,329.77	365,311.83	1,873,079.10	73,659.53	$3,603,380.23
665	Meteghan	■ ●	871,805.25	131,326.13	1,316,422.86	32,855.85	$2,352,410.09
670	Middleton	■ ●	671,539.46	146,786.05	831,247.63	34,074.38	$1,683,647.52
674	New Minas	■ ● ●	1,621,576.71	427,398.74	2,056,195.71	129,901.44	$4,235,072.60
692	Weymouth	■ ●	496,201.48	82,236.46	627,094.43	17,292.22	$1,222,824.59
695	Windsor	■ ●	1,785,313.01	259,484.49	2,077,822.76	78,762.77	$4,201,383.03
689	Wolfville		743,842.90	235,796.14	1,024,906.31	45,373.96	$2,049,919.31
TOTAL			**$13,034,619.42**	**$2,825,302.23**	**$16,756,226.15**	**$705,202.65**	**$33,321,350.45**

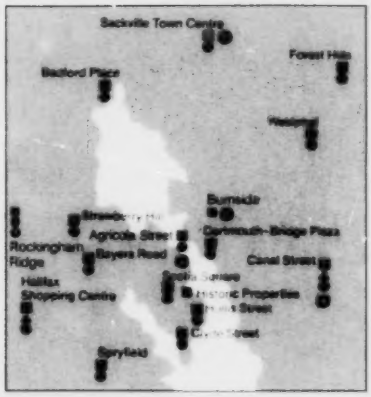
Region 7 — South Shore							
705	Bridgewater	■ ● ▼	3,163,966.48	655,441.92	3,369,289.67	119,508.19	$7,308,206.26
706	Bridgewater Liquor Mart	■ ●	157,536.70	31,843.32	186,467.36	8,104.73	$383,952.11
710	Caledonia		286,765.89	34,166.74	321,371.25	10,754.87	$653,058.75
715	Chester	■ ●	1,041,369.06	264,028.62	1,056,660.15	35,643.56	$2,397,701.39
725	Hubbards	■ ●	778,209.66	189,894.41	958,018.91	35,137.53	$1,961,260.51
755	Liverpool	■ ●	1,648,648.42	263,857.07	1,450,872.04	48,542.67	$3,411,920.20
760	Lockeport	●	311,806.31	47,668.81	252,280.78	11,980.22	$623,736.12
765	Lunenburg	■ ●	1,532,307.35	231,395.39	936,653.84	51,457.25	$2,751,813.83
770	Mahone Bay	■ ●	791,102.94	218,574.26	807,424.64	32,860.66	$1,849,962.50
775	New Germany	■ ●	354,641.31	47,087.10	514,664.61	14,011.55	$930,404.57
785	Shelburne	■ ●	1,708,224.17	204,639.07	1,651,369.29	68,057.09	$3,632,289.62
790	West Pubnico	■ ●	785,956.83	67,124.33	623,168.98	20,153.72	$1,496,403.86
798	Yarmouth	■ ● ▼ ●	3,103,563.18	568,498.62	3,464,236.78	108,177.37	$7,244,475.95
TOTAL			**$15,664,098.30**	**$2,824,219.66**	**$15,592,478.30**	**$564,389.41**	**$34,645,185.67**
Total Store Sales			**$123,818,399.98**	**$30,658,523.42**	**$149,382,103.51**	**$5,335,447.09**	**$309,194,474.00**
PRODUCER SALES				**$757,829.13**	**$1,453,601.38**		**$2,211,430.51**
Grand Total Sales			**$123,818,399.98**	**$31,416,352.55**	**$150,835,704.89**	**$5,335,447.09**	**$311,405,904.51**

Distribution Of Stores

■ Self-Service Stores
● Bottle Return Sections
▼ Specialty Sections
O Cold Beer Sections



Halifax/Dartmouth Area



Sydney and Area